

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF AT&T	)	
COMMUNICATIONS OF THE SOUTH	)	CASE NO. 9889
CENTRAL STATES, INC.	)	

O R D E R

By Order dated June 8, 1987, the Commission sought comment from the parties to this case regarding the request by AT&T Communications of the South Central States, Inc., ("AT&T") for approval of its proposed rate flexibility tariff. In response to the Commission's Order comments were filed by the following parties: AT&T, the Attorney General of the Commonwealth of Kentucky, U.S. Sprint Communications Company, and MCI Telecommunications Corporation.

COMMENTARY

The comments as filed represent two distinct viewpoints concerning the issue of AT&T's proposed rate flexibility tariff: AT&T contends that its proposal does not conflict with the Commission's Findings and Orders in Administrative Case No. 273;<sup>1</sup> however, the other parties generally contend that the proposed rate flexibility tariff does conflict with the Findings and Orders in Administrative Case No. 273, and that a further administrative proceeding should be opened to investigate the implications of,

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<sup>1</sup> An Inquiry into Inter- and IntraLATA Intrastate Competition in Toll and Related Services Markets in Kentucky.

and reasons for, AT&T's proposal. For its part, AT&T is in favor of opening a new administrative case or re-opening Administrative Case No. 273 to address toll competition issues in Kentucky; however, AT&T believes such a proceeding should not preempt approval of its rate flexibility proposal.

#### DISCUSSION

The Commission is of the opinion that a decision in this matter cannot be made based on the existing evidence of record. Furthermore, because of the lack of progress achieved at previous informal conferences the Commission is of the opinion that a formal hearing will be necessary in order to develop a record on which the Commission can base a decision. At present, the central issue to be decided in this proceeding is whether AT&T's proposed rate flexibility tariff conflicts with the Commission's Findings and Orders from Administrative Case No. 273. Until this issue is decided, the re-opening of Administrative Case No. 273 or the instigation of a new administrative proceeding is not required. Therefore, the Commission intends to proceed with this case for the purpose of determining whether AT&T's proposed rate flexibility tariff conflicts with the Commission's Findings and Orders from Administrative Case No. 273.

For purposes of making this determination, the Commission will establish the following procedural schedule:

1. Testimony, if any, by AT&T is due by September 29, 1987.
2. Data requests to AT&T are due by October 13, 1987.

Responses by AT&T are due by October 27, 1987.

3. Testimony, if any, by the intervenors is due by November 10, 1987.

4. Data requests to the intervenors are due by November 24, 1987. Responses by the intervenors are due by December 8, 1987.

5. A public hearing shall be held on December 15, 1987, at 9:00 a.m., EST, in the Commission's offices.

Data requests and/or testimony should be confined to addressing the question of whether AT&T's rate flexibility proposal conflicts with the Findings and Orders from Administrative Case No. 273.

#### SUMMARY

The Commission, after due consideration and being advised, is of the opinion and finds that:

1. A decision in this matter cannot be reached based on the present evidence of record.

2. This case should proceed by means of written data requests, prepared testimony and a public hearing.

3. Data requests, any testimony, or public hearing should be limited to a determination of whether AT&T's proposed rate flexibility tariff conflicts with the Commission's Findings and Orders in Administrative Case No. 273.

IT IS THEREFORE ORDERED that:

1. This case shall proceed as set out in Findings 1 through 4.

2. A hearing on this matter shall be held at the Commission's offices on Tuesday, December 15, 1987, at 9:00 a.m., EST.

Done at Frankfort, Kentucky, this 11th day of September, 1987.

PUBLIC SERVICE COMMISSION

*Richard D. Henning*  
Chairman

*Paul H. L.*  
Vice Chairman

*James M. Wilkerson*  
Commissioner

ATTEST:

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Executive Director